



**USFR MEMORANDUM NO. 238**

**TO:** School District Administrators; County School Superintendents

**FROM:** Magdalene D. Haggerty, Office of the Auditor General  
Vicki G. Salazar, Arizona Department of Education (ADE)

**DATE:** April 15, 2009

**SUBJECT:** School District Annual Budget Revisions for Fiscal Year (FY) 2009: Adjustments to General Budget Limit, Unrestricted Capital Budget Limit, Soft Capital Allocation Limit, and Classroom Site Fund Budget Limit (Supersedes USFR Memorandum No. 233)

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All districts that revise their FY 2009 adopted budget must have final revisions completed and approved at a Governing Board meeting before Friday, May 15, 2009. Additionally, all districts that revise their General Budget Limit (GBL), Unrestricted Capital Budget Limit (UCBL), Soft Capital Allocation Limit (SCAL), Classroom Site Fund Budget Limit (CSFBL), or adopted budget must submit a fully completed districtwide budget (cover page and pages 1 through 8), supplements, summary, and all work sheets (issued in USFR Memorandum Nos. 234 and 236), as applicable, to the County School Superintendent and ADE School Finance Unit by May 18, 2009. (Districts in the Accounting Responsibility Program are not required to send a copy to the County School Superintendent.)

In accordance with Arizona Revised Statutes (A.R.S.) §15-905, districts must submit the revised budget electronically to ADE using either the Auditor General's Excel files, with the 6/08 and 7/08 revision dates, as applicable, or software that produces an electronic file in the format required by ADE. The completed forms must be uploaded via the Common Logon, on ADE's Web site at [www.azed.gov/CommonLogon/](http://www.azed.gov/CommonLogon/). Please use the following Menu option: School Finance File Upload (Budget/AFR). After electronically submitting the revised budget, districts should verify that the file processed successfully by viewing the submitted file status on the district's page of ADE's Web site. Instructions for viewing the submitted file status are available on the School Finance Bulletin Board at [www.azed.gov/schoolfinance/FAQs/BudgetRptsFiles/InstrsFileStatus.doc](http://www.azed.gov/schoolfinance/FAQs/BudgetRptsFiles/InstrsFileStatus.doc). For password information or help, please contact ADE's Support Center at (602) 542-7378 [outside the Phoenix area call (866) 577-9636] or e-mail [enterprise@azed.gov](mailto:enterprise@azed.gov).

The information on the left side of the cover page must be updated when the budget is revised and printed out for the Governing Board to sign. The revised budget must be marked as "Revised" by selecting the appropriate revision number from the Version drop-down box. When the revised forms are electronically submitted to ADE, the date should be recorded, the Superintendent and Business Manager should sign where indicated, and a copy of the cover page must be mailed to ADE-School Finance, 1535 West Jefferson, Bin 13, Phoenix, AZ 85007.

Districts participating in the National School Lunch Program are required to budget a portion of their state revenues to support the operation of their food service program. Districts that have not budgeted for the state matching requirements should revise their budget to include any amounts to be expended for their food service program on pages 2 and 4 of the budget before May 15. The Child Nutrition Programs Office will verify that amounts budgeted were spent when the annual financial reports are submitted. Any questions related to the state matching requirements should be directed to the Child Nutrition Programs Office at (602) 542-8700.

Districts must make all of the revisions described in this memo that would result in a decrease in budget limits and districts may make any of the described revisions that result in an increase in budget limits. **Note:** If revisions result in a decrease in budget limits, it may be necessary to decrease budgeted amounts to avoid exceeding the budget limits. If revisions result in an increase in budget limits, districts may increase budgeted amounts up to the budget limits. Additional copies of the budget forms and work sheets may be obtained from the Auditor General's Web site at [www.azauditor.gov/forms\\_schooldistrict.htm](http://www.azauditor.gov/forms_schooldistrict.htm) or ADE's Web site at [www.azed.gov/schoolfinance/Forms/Budgets/FY2008-2009/](http://www.azed.gov/schoolfinance/Forms/Budgets/FY2008-2009/).

Districts sponsoring charter schools must revise budget work sheets, as necessary, to reflect actual charter school FY 2009 100th-day average daily membership (ADM).

Districts may revise their budget worksheets to reflect the ADM, as reported on the final FY 2008 ADMS46-1 reports, which were generated for all districts in January 2009 that may have been updated to include FY 2008 ADM, SPED, or ELL corrections. **Do not revise the FY 2009 budget worksheets to include the 100th-Day ADM from the FY 2009 ADMS46-1 report.**

Following are specific instructions for revising the GBL, UCBL, SCAL, CSFBL, and adopted budget as well as public notice requirements concerning any revisions.

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Revised amounts should be recorded on **page 7** of the budget as described in the following paragraphs. When actual amounts are required, use the actual amount to date plus the estimated amount for the remainder of the fiscal year. All amounts to be applied to Maintenance and Operation (M&O) should be recorded in column A. All amounts to be applied to Unrestricted Capital Outlay (UCO) should be recorded in column B.

On page 7, lines 1(a), 1(b) and (c), 2, 3(a) and (c), 4 through 8, 10, and line 9 items marked with an asterisk, may be revised **only** as described in this memo. Amounts recorded on line 10 may be either positive or negative. In addition to apportioning any change in the amount for a line between columns A and B, the district may reapportion the amount on any line between the columns based on budgetary needs of the district, if applicable. After the May 15 budget revision, the Revenue Control Limit (RCL) and Capital Outlay Revenue Limit (CORL) **cannot** be reallocated between M&O and UCO.

#### Line 1(a). FY 2009 Revenue Control Limit (RCL)

**In accordance with Laws 2009, 1<sup>st</sup> special session, Ch. 6, §5, districts must reduce their FY 2009 base support level funding.** Districts should make this reduction on Worksheet C, line XII, by unprotecting the worksheet, changing the line description accordingly, and entering the

reduction amount from School Finance Memorandum 09-044—Revised. This amount will roll forward to Work Sheets E and F. Districts should enter the revised amount from Work Sheet E, line VIII, or Work Sheet F, line IV, on Budget page 7, line 1(a). Districts that need assistance with the adjustment should contact ADE’s budget team at [SFBudgetTeam@azed.gov](mailto:SFBudgetTeam@azed.gov).

Line 1(b). Plus Adjustment for Growth

If the district qualifies for the student growth adjustment, the RCL may be adjusted. The growth adjustment may be calculated using the work sheet available on ADE’s Web site at [www.azed.gov/schoolfinance/forms/GrowthForms/](http://www.azed.gov/schoolfinance/forms/GrowthForms/). The district should record any budget increase for growth up to the amount calculated on this worksheet, on line 1(b). Districts must budget for growth on this line in order to receive additional RCL and state aid for growth.

Alternatively, the district may use the amount of growth calculated by ADE, School Finance, available from the district’s APOR55-2 Report. This report is available on the district’s page of ADE’s Web site at [www.azed.gov/Districts/](http://www.azed.gov/Districts/). The amount calculated for April 15, 2009, on the APOR55-2 Report is based on the 100th-day ADM and Group B counts as of April 9, 2009. The final adjustment for growth will be based on the growth amount included on page 7 of 8, line 1(b) and will not exceed the growth shown on the APOR55-2 Report.

Line 1(c). Increase or (Decrease) in 03 District High School Tuition Payments [A.R.S. §15-905(J)]

A common school district not within a high school district (Type 03) reporting an adjustment for actual tuition should follow the instructions below; Work Sheet E should not be revised.

Obtain the “Tuition Out for High School Students (Type 03)” amount reported in the “Calculation for RCL” section from page 2 of the most recent copy of the APOR55-1 Report, available on the district’s page of ADE’s Web site at [www.azed.gov/Districts/](http://www.azed.gov/Districts/), and determine whether this amount accurately reflects the actual tuition payments for type 03 district high school students. If the APOR55-1 amount is MORE THAN the actual amount, the **difference must** be recorded as a decrease (in parentheses) on line 1(c). If the APOR55-1 amount is LESS THAN the actual amount, the **difference may** be recorded as an increase on line 1(c). The debt service portion of the amount included on line 1(c) for tuition payments in excess of estimated amounts should be limited as described in A.R.S. §15-824.

Line 2. FY 2009 Capital Outlay Revenue Limit (CORL) (A.R.S. §15-961)

Compare the CORL from the district’s most recently revised adopted budget, page 7, line 2, to the CORL from the most recent copy of the APOR55-1 Report, page 3, available on the district’s page of ADE’s Web site. The amount on line 2 may not exceed the CORL from the most recent copy of the APOR55-1 Report, page 3.

Line 3(a). FY 2009 Override Authorization-Maintenance and Operation

If the RCL on line 1(a) was reduced after budget adoption, the district must recalculate the maximum M&O override amount allowed by A.R.S. §15-481. Arizona Attorney General Opinion I90-020 prohibits districts from recalculating the M&O override based on an increase in the RCL. The amount reported on line 3(a) may not exceed the lesser of the original or recalculated maximum M&O override amount. However, districts are not required to reduce their maximum

M&O override amount as a result of any reduction to the RCL resulting from the base support level reduction required by Laws 2009, 1<sup>st</sup> special session, Ch. 6, §5.

Line 3(c). FY 2009 Override Authorization-Special K-3 Program

If the RCL on line 1(a) was reduced after budget adoption, the district must recalculate the maximum K-3 program override amount allowed by A.R.S. §15-482. Arizona Attorney General Opinion I90-020 prohibits districts from recalculating the K-3 program override based on an increase in the RCL. The amount reported on line 3(c) may not exceed the lesser of the original or recalculated maximum K-3 program override amount. However, districts are not required to reduce their maximum K-3 program override amount as a result of any reduction to the RCL resulting from the base support level reduction required by Laws 2009, 1<sup>st</sup> special session, Ch. 6, §5.

Line 4. Small School Adjustment for Districts With a Student Count of 125 or less in K-8 or 100 or less in 9-12 (A.R.S. §15-949)

If the district received approval from the county board of supervisors as provided in A.R.S. §15-949 to revise its budget to include the cost of additional pupils that were not anticipated at budget adoption, include the revised amount on line 4.

Line 5. Tuition Revenue (A.R.S. §§15-823, 15-824, 15-825, 15-825.01, and 15-825.02)

In accordance with A.R.S. §15-905(I), a district that has overestimated tuition revenues must adjust line 5, based on actual tuition revenues for the current fiscal year. However, a district that has underestimated tuition revenues may revise line 5 and the budget, based on actual tuition for the current fiscal year.

The UCO portion of tuition revenues should be recorded in column B, lines 5(a) through 5(d). **However, the debt service portion of tuition revenues should be excluded from lines 5(a) through 5(d).**

Line 6. State Assistance (A.R.S. §15-976)

In accordance with A.R.S. §15-905(I), a district that has overestimated state assistance for children whose parents are employed by certain state institutions, must revise line 6 based on actual revenues during the current fiscal year. However, a district that has underestimated this revenue may revise line 6 and the budget based on actual revenue. Eligible districts will receive instructions in a School Finance Memorandum. The work sheets to calculate state assistance are available at <http://www.azed.gov/schoolfinance/Forms/CEC/Default.asp>.

Lines 7(a), (b), and (c). Allowable Budget Increase for Title 8 PL 103-382 Districts: Add-on for Children with Disabilities and Indian Students [A.R.S. §15-905(K) and (O)], Add-on for Children in Military Reservation Accommodation Schools [A.R.S. §15-905(K)], and Administrative Costs [A.R.S. §15-905(P)]

In accordance with A.R.S. §15-905(K) and (O), a district may revise lines 7(a) and (b) based on any adjustments that result in increases over the amount estimated by the Superintendent of Public Instruction for Title 8 PL 103-382 assistance for children with disabilities, Indian students,

and children residing within the boundaries of an accommodation school that is located on a military reservation and is classified as heavily impacted for FY 2008. However, the district must revise lines 7(a) and (b) based on any adjustments that result in decreases in the amount estimated by the Superintendent of Public Instruction for Title 8 PL 103-382 assistance for FY 2008. ADE will e-mail districts with the final amounts to include on lines 7(a) and (b).

To determine the adjustment for Title 8 PL 103-382 administrative costs in accordance with A.R.S. §15-905(P)(10), complete Work Sheet L issued with USFR Memorandum No. 236. If the recalculated amount from line VI of the work sheet is MORE THAN the budgeted amount, the district may record the recalculated amount on line 7(c). If the recalculated amount from the work sheet is LESS THAN the budgeted amount, the district must record the recalculated amount on line 7(c).

Line 8. Increase Authorized by County School Superintendent for Accommodation Schools  
[A.R.S. §15-974(B)]

Complete and submit Work Sheet S, issued with USFR Memorandum No. 236. In completing line I.A of the work sheet, use the lesser of the revised District Support Level or RCL from Work Sheet E or F, as applicable. Record the district's actual cash balance for the M&O Fund at June 30, 2008, on line II.A.1. Recalculate Work Sheet M and record the Budget Balance Carryforward on line II.A.2. For further guidance on recalculating Work Sheet M, see the instructions for line 9(c).

In accordance with A.R.S. §15-905(I), if the recalculated amount on line II.B.5 of Work Sheet S is MORE THAN the amount on the most recently revised adopted budget, the district may record the recalculated amount on line 8. If the recalculated amount on line II.B.5 is LESS THAN the amount on the most recently revised adopted budget, the district must record the recalculated amount on line 8.

**If the June 30, 2008, actual cash balance for the M&O Fund was incorrectly estimated**, an accommodation school district **must** complete and submit a revised Work Sheet S, issued with USFR Memorandum No. 236, even if the amount recorded on line 8 of the adopted budget is not revised.

Line 9(c). Budget Balance Carryforward (A.R.S. §15-943.01)

The actual allowable M&O Fund budget balance carryforward, should be recalculated on Work Sheet M. In completing lines 1.b and 2.b of the work sheet, enter any reductions to budget capacity reported on the most recent Over Expenditure Report for Fiscal Year 2008 (BUDG75), page 2, "Adjustment amount for FY09 Budget Work Sheet M, line 1.b." In completing line 8.b of the work sheet, enter the "Growth Adjustment" amount calculated by ADE on the district's FY 2008 BUDG75, page 2. This report is available on the district's page of ADE's Web site at [www.azed.gov/Budget](http://www.azed.gov/Budget). The amount recorded on page 7, line 9(c) cannot exceed the amount reported on the BUDG75 Report, page 2, "Allowed Budget Balance Carry-Forward." Some districts may have incurred M&O liabilities in excess of the FY 2008 budget, as authorized by the County Board of Supervisors (A.R.S. §15-907). Additionally, some districts may have overexpended their FY 2008 M&O Fund. These districts do not have a budget balance to carry forward to FY 2009. **If either of these circumstances applies, the district must record a zero on page 7, line 9(c).**

Line 9(e). Excess Utilities [A.R.S. §15-910(A)-(F)]

A district may revise the amount budgeted for excess utilities in accordance with A.R.S. §15-910. If the district received a refund of utility expenditures (e.g., E-rate reimbursements) that was originally included in an excess utilities calculation, the amount of the refund must be entered on Work Sheet N, line I.B.

Complete and submit Work Sheet N, issued with USFR Memorandum No. 236. The district must use actual amounts to date, plus estimated amounts for the remainder of the fiscal year as indicated on the work sheet. Districts that calculate a revised RCL on page 7, line 1(d), of the budget should enter the revised amount on Work Sheet N, line III.A.1.

When districts revise lines III.A.1 through 3, include increases for additional funding received in FY 2009 due to growth in student count as reported on the district's APOR55-2 Report, page 2.

The recalculated amount on line V of the work sheet is the maximum amount that may be entered on page 7, line 9(e), and budgeted as excess utilities on page 2, M&O Detail by Object Code section, lines 1-8.

Line 9(i). FY 2008 Career Ladder Unexpended Budget Carryforward [A.R.S. §15-918.04(C)]

Districts should use the unexpended amount as reported on the most recent FY 2008 BUDG75 Report, page 2.

Line 9(j). FY 2008 Optional Performance Incentive Program Unexpended Budget Carryforward (A.R.S. §15-919.04)

Districts should use the unexpended amount as reported on the most recent FY 2008 BUDG75 Report, page 2.

Line 9(k). FY 2008 Performance Pay Unexpended Budget Carryforward (A.R.S. §15-920)

Districts should use the unexpended amount as reported on the most recent FY 2008 BUDG75 Report, page 2.

Line 9(l). Excess Property Tax Valuation Judgments (A.R.S. §§42-16213 and 42-16214)

This line should be used to record the amount of any judgment expected to be paid in FY 2009 for an excessive property tax valuation judgment per A.R.S. §§42-16213 and 42-16214. This amount should also be included on page 1, line 10.

Line 10. Adjustment to the General Budget Limit [A.R.S. §§15-905(M) and 15-272]

This line should be used to reduce the FY 2009 GBL for exceeding the prior year(s) GBL for M&O or for exceeding the M&O section of the budget, or to make A.R.S. §15-915 adjustments as approved by ADE. If more than 1 year is recorded, indicate each year and the associated amount on the explanation lines, but record only one combined amount in column A. If the amount entered on this line is negative, enter amount in parentheses. Do not use this line to subtotal amounts recorded on lines 9(a) through (l).



If a district's FY 2008 M&O Fund overexpenditure has not been resolved through one of the options provided in the notification letter from ADE dated March 23, 2009, the FY 2009 BUDG25 Report included the full amount of the overexpenditure as a reduction.

### **Completing Page 7**

After revising amounts on lines 1 through 10, columns A and B, as directed in the preceding paragraphs, line 11 will reflect the revised FY 2009 GBL. The amount recorded on page 1, line 31 cannot exceed this amount. Line 12 will be the Total Amount to be Used for Capital Expenditures and must agree with line A.12 on page 8.

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Revised amounts should be recorded on page 8 of the budget as described in the following paragraphs.

#### Line A.1. Total Amount Available for FY 2008 Capital Expenditures

Line A.1 should agree to the most recently revised adopted FY 2008 budget, page 8, line A.14.

#### Line A.2. Total Unrestricted Capital Budget Limit (UCBL) Adjustment for Prior Years as Notified by ADE on BUDG75 Report

Line A.2, if required, should agree to the most recent FY 2008 BUDG75 Report, page 3, "Unrestricted Capital Budget Limit Adjustment." **Amounts on this line must be negative.** Positive adjustments approved by ADE in accordance with A.R.S. §15-915 should be included on line A.11.

#### Line A.3. Adjusted Amount Available for FY 2008 Capital Expenditures

Line A.3 should agree to the ADE calculated amount on the most recent FY 2008 BUDG75 Report, page 3, "Unrestricted Capital Available FY08." Contact ADE School Finance to reconcile any differences.

#### Line A.4. Amount Budgeted in Fund 610 in FY 2008

Line A.4 should agree to the budgeted amount from the most recently revised adopted FY 2008 budget, page 4, line 10.

#### Line A.6. FY 2008 Fund 610 Actual Expenditures

Line A.6 should reflect actual UCO Fund 610 expenditures as reported on the district's FY 2008 AFR on page 5, line 10, less expenditures approved under A.R.S. §15-907 that are in excess of the most recently revised adopted FY 2008 UCO budget (budget page 4, line 10).

#### Line A.8. Interest Earned in Fund 610 in FY 2008

Line A.8 should agree to the actual amount of interest earned on investments as reported on the district's FY 2008 AFR on page 1, line 16 for the UCO Fund.

Line A.9. Federal Impact Adjustment (A.R.S. §15-964)

In accordance with A.R.S. §15-964(D), complete Work Sheet R, issued with USFR Memorandum No. 236. If the recalculated amount from the work sheet is MORE THAN the budgeted amount, the recalculated amount may be recorded on line A.9. If the recalculated amount from the work sheet is LESS THAN the budgeted amount, the recalculated amount must be recorded on line A.9.

Line A.10. Monies Deposited in Fund 610 from School Facilities Board for Donated Land [A.R.S. §15-2041(F)]

Enter the amount of money, if any, received or expected to be received, by fiscal year end, from the School Facilities Board (SFB) in compliance with A.R.S. §15-2041(F).

Districts should forward a copy of the award letter from the SFB stating the specific amount being deposited in Fund 610, to ADE-School Finance, in order to receive budget capacity for this item.

Line A.11. Adjustment to UCBL for FY 2009 [A.R.S. §15-905(M)]

Line A.11 should be used to reduce the FY 2009 UCBL for exceeding the FY 2008 Amount Available to be Spent in UCO Fund or exceeding the FY 2008 capital outlay section of the budget, or to make A.R.S. §15-915 adjustments as approved by ADE. If more than one item is recorded, indicate each item and the associated amount on the explanation line, but record only one combined amount in the column to the right. If any such adjustments are necessary, ADE will notify districts of the amount to enter on this line. Record negative amounts in parentheses.

If a district's FY 2008 UCO Fund overexpenditure has not been resolved through one of the options provided in the notification letter from ADE dated March 23, 2009, the FY 2009 BUDG25 Report included the full amount of the overexpenditure as a reduction.

If a district lost UCO capacity from budgeting less than the UCBL in FY 2008, this line may be used to make an A.R.S. §15-915 adjustment to recapture budget capacity. A district may enter the positive difference calculated by ADE on the district's FY 2009 BUDG25, page 3, "Unexpended Budget Balance Unrestricted FY08." Districts that need assistance with the adjustment should contact ADE's budget team at [SFBudgetTeam@azed.gov](mailto:SFBudgetTeam@azed.gov).

Line A.13. FY 2009 State Board Approval to Budget and Accumulate Cash Balance for Construction, Building Renovation, or Soft Capital [A.R.S. §15-962(F)]

The amount on line A.13 cannot exceed the lesser of the FY 2008 Federal Impact Aid Entitlement or the M&O Fund's ending cash balance at June 30, 2008, after encumbrances, less any amount used to fund nonlevy overrides or budget balance carryforward.

Line B.1. FY 2008 Soft Capital Allocation Limit (SCAL)

Line B.1 should agree to the most recently revised adopted FY 2008 budget, page 8, line B.12.



Line B.2. Total SCAL Adjustment for Prior Years as Notified by ADE on BUDG75 Report

Line B.2 should agree to the most recent FY 2008 BUDG75 Report, page 3, "Soft Capital Allocation Limit Adjustments." **Amounts on this line must be negative.** Positive adjustments approved by ADE in accordance with A.R.S. §15-915 should be included on line B.11.

Line B.4. Amount Budgeted in Fund 625 in FY 2008

Line B.4 should agree to the most recently revised adopted FY 2008 budget, page 4, line 19.

Line B.6. FY 2008 Fund 625 Actual Expenditures

Line B.6 should reflect actual SCA Fund 625 expenditures as reported on the district's FY 2008 AFR, page 5, line 19.

Line B.8. Interest Earned in Fund 625 in FY 2008

Line B.8 should agree to the actual amount of interest earned on investments as reported on the FY 2008 AFR on page 1, line 16 for the SCA Fund.

Line B.9. Soft Capital Allocation

The amount entered on line B.9 cannot exceed the SCAL from the most recent APOR55-1 Report available on the district's page of ADE's Web site. Contact ADE School Finance to reconcile any differences.

A district that sponsors a charter school should recompute the SCA on Work Sheet I, section V, for the actual charter school student count.

Line B.10. Capital Transportation Adjustment Approved by State Board of Education  
[A.R.S. §15-963(B)]

Districts approved for a Capital Transportation Adjustment in accordance with A.R.S. §15-963 may record on line B.10 the amount indicated in the most recent APOR55-1 Report, page 3, available on the district's page of ADE's Web site.

Line B.11. Adjustment to SCAL for FY 2009 [A.R.S. §15-905(M)]

This line should be used to reduce the FY 2009 SCAL for exceeding the FY 2008 SCAL or exceeding the FY 2008 SCA section of the budget, or to make A.R.S. §15-915 adjustments as approved by ADE. If more than one item is recorded, indicate each item and the associated amount on the explanation line, but record only one combined amount in the column to the right. If any such adjustments are necessary, ADE will notify districts of the amount to enter on this line. Record negative amounts in parentheses.

If a district's FY 2008 SCAL Fund overexpenditure has not been resolved through one of the options provided in the notification letter from ADE dated March 23, 2009, the FY 2009 BUDG25 Report included the full amount of the overexpenditure as a reduction.

**Districts should also use this line to reduce their FY 2009 soft capital allocation limit and the amount of additional assistance to charter holders as required by Laws 2009, 1<sup>st</sup> special**

**session, Ch. 6, §§6 and 7.** Enter the reduction amounts from School Finance Memorandum 09-044—Revised.

If a district lost SCA capacity from budgeting less than the SCAL in FY 2008, this line may be used to make an A.R.S. §15-915 adjustment to recapture budget capacity. A district may enter the positive difference calculated by ADE on the district's FY 2009 BUDG25, page 3, "Adjustment to Soft Capital Allocation Limit." Districts that need assistance with the adjustment should contact ADE's budget team at [SFBudgetTeam@azed.gov](mailto:SFBudgetTeam@azed.gov).

Line B.12. FY 2009 Soft Capital Allocation Limit

The amount budgeted on Budget, page 4, line 19, cannot exceed this amount. Per Laws 2009, 1<sup>st</sup> special session, Ch. 6, §8, during FY 2009 districts may use their soft capital allocation for any operating or capital expenditures.

Line C.1. FY 2008 Classroom Site Fund Budget Limit

Line C.1 should agree to the most recently revised adopted FY 2008 budget, page 8, line C.7.

Line C.2. FY 2008 Classroom Site Fund Actual Expenditures

Line C.2 should reflect actual Classroom Site Fund (CSF) expenditures as reported on the district's FY 2008 AFR, page 4, line 49 and footnote (1).

Line C.4. Interest Earned in the Classroom Site Fund in FY 2008

Line C.4 should agree to the actual amount of interest earned on CSF investments, as reported on the FY 2008 AFR on page 4, lines 2, 18, and 34.

Line C.5. FY 2009 Classroom Site Fund Allocation

Enter the FY 2009 allocation for the district, based on the district's attending weighted student count as reported on the FY 2009 CSF301 payment report (CSF-RPT002), multiplied by the Joint Legislative Budget Committee's (JLBC) estimate of \$390.

Although districts should use the \$390 estimate in determining the Classroom Site Fund Allocation, the JLBC estimates that the actual amount to be paid out for FY 2009 will be closer to \$328.

Line C.6. Adjustments to FY 2009 Classroom Site Fund Budget Limit

Some districts have lost CSF budget capacity from budgeting less than the CSFBL in prior years. This line may be used to recapture that budget capacity. Enter the "FY 2008 Classroom Site Fund Budget Limit" difference calculated by ADE on the district's FY 2008 BUDGCSF Report available on the district's page of ADE's Web site at [www.azed.gov/Budget](http://www.azed.gov/Budget). Districts that need assistance with the adjustment should contact ADE's budget team at [SFBudgetTeam@azed.gov](mailto:SFBudgetTeam@azed.gov).

**COMPLETING THE REVISED BUDGET**

Total M&O Fund expenditures must not exceed the adjusted GBL (page 7, line 11). Therefore, if the net change to the GBL is a decrease, the district may be required to reduce its M&O Fund

budget to ensure that budgeted amounts are within the prescribed limit. If the net change to the GBL is an increase, the district may choose to revise its M&O Fund budget.

Total UCO Fund expenditures must not exceed the adjusted Amount Available to be Spent in the UCO Fund (page 8, line A.14). Therefore, if the net change to the Amount Available to be Spent in the UCO Fund is a decrease, the district may be required to reduce its UCO Fund budget to ensure that budgeted amounts are within the prescribed limit. If the net change to the Amount Available to be Spent in the UCO Fund is an increase, the district may choose to revise its UCO Fund budget.

Total SCA Fund expenditures must not exceed the adjusted SCAL (page 8, line B.12). Therefore, if the SCAL is decreased, the district may be required to reduce its SCA Fund budget to ensure that the budgeted amount is within the prescribed limit. If the SCAL is increased, the district may choose to revise its SCA Fund budget.

Total CSF expenditures must not exceed the adjusted CSFBL (page 8, line C.7). Therefore, if the CSFBL is decreased, the district may be required to reduce its CSF budget to ensure that the budgeted amount is within the prescribed limit. If the CSFBL is increased, the district may choose to revise its CSF budget.

#### **PUBLIC NOTICE REQUIREMENTS FOR REVISING GBL, UCBL, SCAL, CSFBL, AND THE ADOPTED BUDGET**

When the GBL, UCBL, SCAL, CSFBL (pages 7 and 8 of the most recently revised adopted budget), M&O Fund budget (page 1), UCO Fund budget (page 4), SCA Fund budget (page 4), or CSF budget (page 3), is revised prior to May 15, as allowed by statute, including revisions due to adjustments to the RCL on page 7, for student growth as applicable, the district must post 24-hour advance notice of and hold a public hearing [A.R.S. §§15-948(C) and (D), and 15-905(D)]. The requirement to publish the notice 10 days prior to the meeting is not applicable for budget revisions.

If you have any questions or need assistance, please call the Arizona Department of Education, School Finance Operations Unit at (602) 542-5695, or the Office of the Auditor General, Accounting Services Division at (602) 553-0333.

MDH/VGS/lm